



UN-AUDITED FINANCIAL STATEMENTS

FOR THE 1st HALF ENDED JUNE 30, 2016



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated February 2, 2010 and Regulation 17 (1) of the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the 1st half un-audited Consolidated Financial Statements of Mutual Trust Bank Limited as at and for the half year ended June 30, 2016. These Consolidated Financial Statements are comprised of the financials of Mutual Trust Bank Limited and its subsidiaries, MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, and are prepared as per International Accounting Standard (IAS)/Bangladesh Accounting Standard (BAS) 34 "Interim Financial Reporting".

Consolidated Balance Sheet (Un-Audited) As at June 30, 2016

	June 2016 BDT	December 2015 BDT
Property and Assets		
Cash	10,656,966,572	9,485,078,898
In Hand (Including Foreign Currency)	1,767,826,830	1,664,181,296
With Bangladesh Bank and its agent Bank (including Foreign Currency)	8,889,139,742	7,820,897,602
Balance with Other Banks & Financial Institutions	5,773,492,477	3,134,309,829
In Bangladesh	4,979,901,610	2,464,407,003
Outside Bangladesh	793,590,868	669,902,826
Money at Call and Short Notice	1,520,000,000	1,790,000,000
Investments	21,386,725,418	26,210,389,906
Government	19,315,893,170	23,542,771,441
Others	2,070,832,248	2,667,618,465
Loans and Advances	107,640,771,393	97,588,775,690
Loans, Cash Credit, Overdrafts, etc.	104,923,419,310	95,251,684,203
Bills Purchased and Discounted	2,717,352,084	2,337,091,487
Fixed Asset including Premises, Furniture & Fixture	3,212,314,887	3,181,829,846
Other Assets	5,082,194,055	4,682,931,966
Non-Banking Assets	-	-
Total Property and Asset	155,272,464,802	146,073,316,135
Liabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	8,267,629,436	5,096,591,403
Deposits and Other Accounts	122,624,425,076	118,404,718,858
Current Deposits & Other Accounts	12,250,164,533	9,585,910,146
Bills Payable	2,315,229,684	1,253,293,664
Savings Deposits	20,740,840,607	17,908,495,891
Special Noticed Deposits	10,477,898,996	13,677,064,566
Fixed Deposits	53,276,584,589	55,707,789,090
Deposit-Products	23,563,706,668	20,272,165,502
Other Liabilities	10,113,395,256	8,767,689,699
Subordinated Debt	4,875,000,000	4,875,000,000
Total Liabilities	145,880,449,768	137,143,999,960
Capital/Shareholders' Equity		
Paid up Capital	4,431,791,600	3,693,159,670
Statutory Reserve	2,950,350,556	2,721,143,746
Revaluation Reserve on Investment in Securities	1,132,075,494	1,311,845,893
Foreign Currency Translation gain/(loss)	6,128,383	3,366,587
General Reserve	446,777,324	446,777,324
Retained Earnings	424,757,168	752,894,582
Total Shareholders' Equity	9,391,880,525	8,929,187,802
Minority Interest	134,509	128,373
Total Liabilities and Shareholders' Equity	155,272,464,802	146,073,316,135
Net Asset Value (NAV) per share	21.19	20.15

Off-Balance Sheet Items

Contingent Liabilities

Letter of Guarantee	7,249,837,846	7,486,950,066
Irrevocable Letter of Credit	12,104,509,239	10,035,077,947
Bills for Collection	3,857,143,715	2,618,832,476
Other Contingent Liabilities	17,188,927,571	14,888,384,964
Total Off-Balance Sheet Items including Contingent Liabilities	40,400,418,370	35,029,245,452

Syed Manzur Elahi
Director

Rashed A. Chowdhury
Director

Anis A. Khan
Managing Director & CEO

Sayed Abul Hashem FCA, FCMA
Group Chief Financial Officer

Malik Muntasir Reza
Group Company Secretary

Consolidated Profit and Loss Account (Un-Audited) For the Period ended June 30, 2016

Particulars	January to June 2016 BDT	January to June 2015 BDT	April to June 2016 BDT	April to June 2015 BDT
Interest Income	5,681,576,569	5,301,899,794	2,855,821,683	2,673,321,661
Less: Interest Paid on Deposit and Borrowing, etc.	3,824,379,812	4,009,007,553	1,853,500,075	2,058,676,363
Net Interest Income	1,857,196,756	1,292,892,241	1,002,321,608	614,645,298
Income from Investments	994,130,152	1,027,406,663	499,775,869	558,449,674
Commission, Exchange and Brokerage	589,108,429	479,176,514	305,912,479	251,661,644
Other Operating Income	204,387,455	219,540,827	130,197,002	136,723,856
Total Operating Income	1,787,626,035	1,726,124,004	935,885,351	946,835,174
Less: Operating Expenditure:				
Salary and Allowances	998,721,395	814,848,891	538,127,930	426,432,990
Rent, Tax, Insurance and Electricity	297,426,369	276,229,372	156,542,297	142,021,729
Legal Expense	1,191,200	1,317,460	842,626	487,580
Postage, Stamps and Telephone	8,549,985	9,775,296	4,914,324	5,673,852
Printing, Stationery and Advertisement	51,450,446	45,583,529	29,184,969	27,504,373
Managing Director's Remuneration	7,162,334	5,696,000	4,138,334	2,936,000
Directors' Fee	1,532,233	1,161,500	870,600	460,000
Audit Fee	196,314,485	144,744,409	98,300,961	74,987,953
Depreciation on and Repair to Bank's Property	349,334,756	313,428,521	174,635,038	162,430,908
Other Expenditure	1,911,863,202	1,612,784,978	1,007,657,078	842,935,388
Total Operating Expenses	1,733,139,590	1,406,231,267	930,549,880	718,545,087
Profit Before Provision	499,000,000	300,000,000	357,500,000	167,001,769
Less: Provision against Loans & Advances including Off Balance Sheet Items	35,500,000	50,000,000	17,000,000	35,000,000
Less: Provision against Investments	-	-	-	-
Less: Provision against Other Asset	-	-	-	-
Total Provision	35,500,000	50,000,000	17,000,000	35,000,000
Profit Before Tax	1,198,639,590	1,056,231,267	566,049,880	516,543,318
Less: Income Tax expenses	558,932,127	556,765,375	241,095,775	266,513,224
Net Profit After Tax	639,707,462	499,465,892	314,954,105	250,030,094
Attributable to:				
Shareholders of the Bank	639,701,326	499,461,220	314,950,650	250,026,359
Minority Interest	6,136	4,672	3,455	3,739
Retained Surplus Brought Forward	639,707,462	499,465,892	314,954,105	250,030,155
Appropriation:				
Bonus Share Issued during the year	738,631,930	615,526,610	738,631,934	615,526,610
Transferred to Statutory Reserve	229,206,810	207,580,877	104,860,543	99,202,476
Retained Surplus, Carried Forward	967,838,740	823,107,487	843,492,477	714,729,086
Earnings Per Share (EPS)	1.44	1.13	0.71	0.56

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Director

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Director

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Managing Director & CEO

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Group Chief Financial Officer

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Group Company Secretary

Consolidated Statement of Cash Flow (Un-Audited) For the Period ended June 30, 2016

	January to June 2016 BDT	January to June 2015 BDT
A) Cash Flow From Operating Activities:		
Interest Received	6,672,132,486	6,273,439,537
Interest Paid on Deposits, Borrowings, etc.	(4,267,087,284)	(3,617,892,965)
Dividend Income	3,574,235	6,986,444
Fees & Commission Income	589,108,429	479,176,514
Cash Paid to Employees as Salaries and Allowances	(1,005,883,729)	(820,544,891)
Advance Income Tax Paid	(428,274,451)	(272,134,034)
Cash Received From Other Operational Income	413,395,210	359,338,539
Cash Paid for Other Operational Expenses	(749,525,858)	(684,063,087)
Cash Flow From Operating Activities Before Changes in Net Current Asset	1,227,439,037	1,724,306,057
Changes in Net Current Asset :		
Investment in Treasury Bond	4,229,699,371	(2,552,493,532)
Loans & Advances	(10,051,995,704)	(6,686,785,800)
Other Asset	(399,262,089)	(426,993,123)
Customers' Deposit	3,905,185,799	10,129,713,711
Borrowing from Other Banks, Financial Institutions & Agents	3,171,038,032	(822,171,993)
Other Liabilities	1,345,705,558	487,484,821
	2,200,370,968	128,754,082
Net Cash Flow From Operating Activities	3,427,810,005	1,853,060,139
B) Cash Flow From Investing Activities:		
Investments in Shares & Bonds	(596,786,217)	(72,954,154)
Purchase of Premises & Fixed Asset (net)	(174,449,094)	(55,186,102)
Net Cash Flow From Investing Activities	(771,235,311)	(128,140,256)
C) Cash Flow From Financing Activities:		
Net Cash Flow From Financing Activities	-	-
D) Net Increase in Cash and Cash Equivalents	2,656,574,694	1,724,919,883
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	6,128,383	6,984,930
F) Opening Cash and Cash Equivalents	15,290,577,071	12,363,882,180
Closing Cash and Cash Equivalents (D+E+F)	17,953,280,148	14,095,786,993
The above closing Cash and Cash Equivalents include:		
Cash in Hand	1,767,826,830	1,664,941,829
Balance with Bangladesh Bank and its Agent Bank	8,889,139,742	7,713,301,049
Balance with Other Banks & Financial Institutions	5,773,492,477	3,174,878,416
Money at Call and Short Notice	1,520,000,000	1,540,000,000
Treasury Bill	2,821,100	2,665,700
Prize Bond	17,953,280,148	14,095,786,993
Net Operating Cash Flow Per Share	7.73	4.18

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Director

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Managing Director & CEO

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Group Chief Financial Officer

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Group Company Secretary

Mutual Trust Bank Limited Notes to the Financial Statements For the period ended June 30, 2016

1.0 Legal status and nature of the Bank

Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized capital of the Bank is BDT 10 billion. The Bank has 106 (One hundred six) branches including 14 (fourteen) SME/Agri Branches all over the Bangladesh, 02 (Two) Agent Banking Centre and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

1.1 Principal Activities

The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches and offices in Bangladesh such as accepting deposits, corporate, SME and retail banking, personal financial services, project finance, etc.

1.2 Off-Shore Banking Unit (OBU)

The Bank obtained Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(105)/2009-4470 dated December 3, 2009 and commenced operation on December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank.

1.3 Subsidiary Companies

1.3.1 MTB Securities Limited (MTBSL)

MTB Securities Limited incorporated as on September 23, 2010 as a Private Limited Company under the Companies Act 1994. The registered office of the MTBSL is located at VVV Tower, 68 Motijheel. MTBSL is engaged in buying and selling of securities for its customers and margin loan is extended to the customers against their margin for investment in the listed companies.

1.3.2 MTB Exchange (UK) Limited (MTB UK)

Bangladesh Bank vide their letter No. BRPD(M)204/25/2010-289 dated 19/08/2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on September 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London, United Kingdom.

1.3.3 MTB Capital Limited (MTBCL)

The Bank obtained permission to embark upon Merchant Banking from the Securities and Exchange Commission (SEC) vide its certificate No.MB-55/2010 dated December 06, 2010 under the Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011.

2.0 Significant Accounting Policies

2.1 Basis of Accounting

The financial statements of the Bank as at and for the period ended June 30, 2016 have been prepared under the historical cost convention, on a going concern basis and in accordance with the "first schedule (Sec- 38)" of the Bank Companies Act, 1991 as amended in 2013 and as per the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards(BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges Listing Regulations, The Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the Corporate Head Office and the branches have been taken into account.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units and its subsidiaries, MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, made up to the end of the Second quarter 2016. The consolidated financial statements are prepared to a common financial period ending June 30, 2016.

2.3 Cash Flow Statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular no.14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank

2.4 Provisions

2.4.1 Loans and Advance

Provision for Loans and Advance have been made as per directives of Bangladesh Bank issued from time to time.

2.4.2 Investment

Provisions for diminution in value of investment is made for loss arising on diminution value of investment in quoted shares.

2.4.3 Off - Balance Sheet Exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments according to Bangladesh Bank guidelines. As per BRPD Circular no.14, dated 23 September 2012, the Bank maintained provision @ 1% against off-balance sheet exposures.

2.5 Earnings per Share

Earnings per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank calculates EPS in accordance with Bangladesh Accounting Standard (BAS) 33 "Earning per Share" which has been shown in the profit and loss account.

2.6 Reporting Period

These financial statements cover the period from January 1 to June 30, 2016.

DISCLOSURE OF THE 1ST HALF UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE HALF-YEAR ENDED JUNE 30, 2016

Particulars	As at and for the half-year ended June 30, 2016	As at and for the half-year ended June 30, 2015
Net Profit After Tax (Million)	639.71	499.47
Net Asset Value (NAV) (Million)	9,391.88	7,321.80
Net Asset Value (NAV) per share	21.19	16.52
Earnings Per Share (EPS)	1.44	1.13
Net Operating Cash Flow Per Share	7.73	4.18

The MTB network has expanded to 106 bank branches (including 14 SME/Agri branches), 17 MTB Securities branches with extension offices, 211 ATMs, 2200 POS machines across the country. The un-audited First Half Financial Statements (1H, 2016) are available on www.mutualtrustbank.com. These financial statements have been approved by the Board at it's 194th Meeting held on July 28, 2016.